

**PURPOSE®**

# **STEWARD-OWNERSHIP & ITS ROLE FOR AN ECONOMY FIT FOR THE 21ST CENTURY**

DEEP DIVE

**WE LIVE IN A  
WORLD WHERE  
MONEY  
BUYS  
POWER**

**B | B | C**

**NEWS**

## Elon Musk takes control of Twitter in \$44bn deal

🕒 28 October 2022 ·



GETTY IMAGES

**By James Clayton & Peter Hoskins**

BBC News

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**The world's richest man, Elon Musk, has completed his \$44bn (£38.1bn) takeover of Twitter, according to a filing with the US government.**

# AND WHERE COMPANIES EXIST TO MAXIMIZE SHAREHOLDER VALUE

**B | B | C**

**NEWS**

## BP scales back climate targets as profits hit record

🕒 7 February ·



GETTY IMAGES

**By Nick Edser, Daniel Thomas & Noor Nanji**

Business reporters

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**Energy giant BP has reported record annual profits as it scaled back plans to reduce the amount of oil and gas it produces by 2030.**



**TODAY, THESE TWO PRINCIPLES  
REPRESENT THE MOST COMMON FORM  
OF BUSINESS IN OUR ECONOMIC SYSTEM.**

# LEADING TO PARADOXICAL STRUCTURES

Companies striving for limitless growth ...



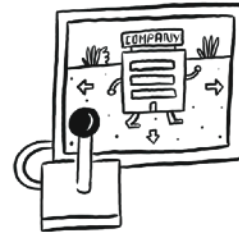
... in a physically limited world.

Companies as assets for private wealth creation ...



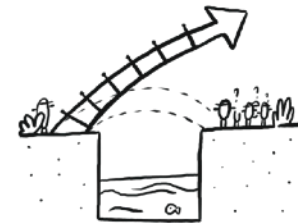
... deprioritizing the influence and power they have on society.

Control lies with absentee owners, people far away, ...



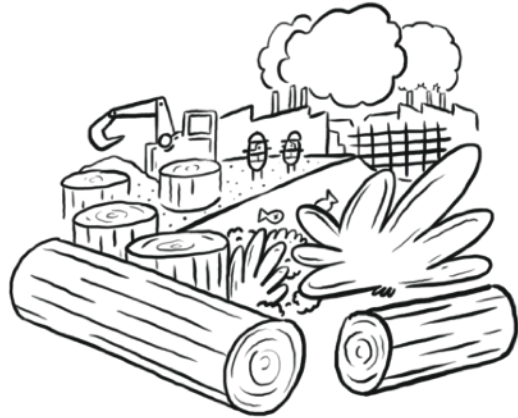
... too far from the company to feel and act responsibly.

Focus on maximizing profits and shareholder value ...



... instead of solving problems for people and society.

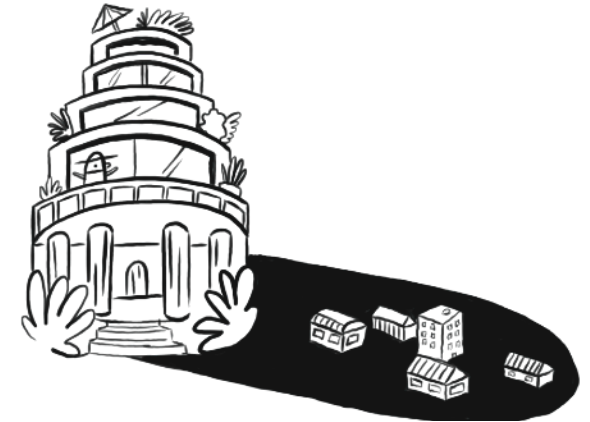
# WITH REAL LIFE CONSEQUENCES THREATENING THE BASIS OF OUR EXISTENCE.



**OVERSHOOTING  
PLANETARY BOUNDARIES**



**RISING  
INEQUALITY**



**CONCENTRATION  
OF MONEY & POWER**

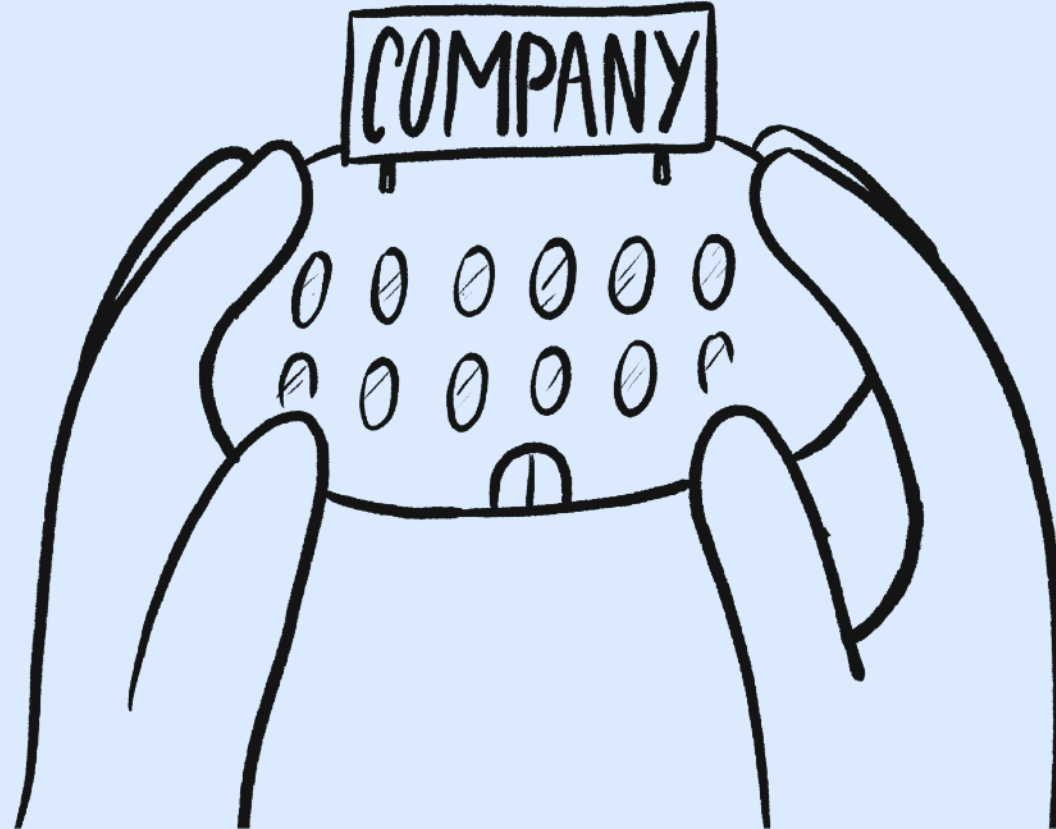
**FOR AN ECONOMY SERVING  
PEOPLE, PLANET AND SOCIETY,  
CORPORATE BEHAVIOUR NEEDS TO CHANGE.**

# TODAY, WE SEE DIFFERENT INTERVENTIONS IN THE SYSTEM

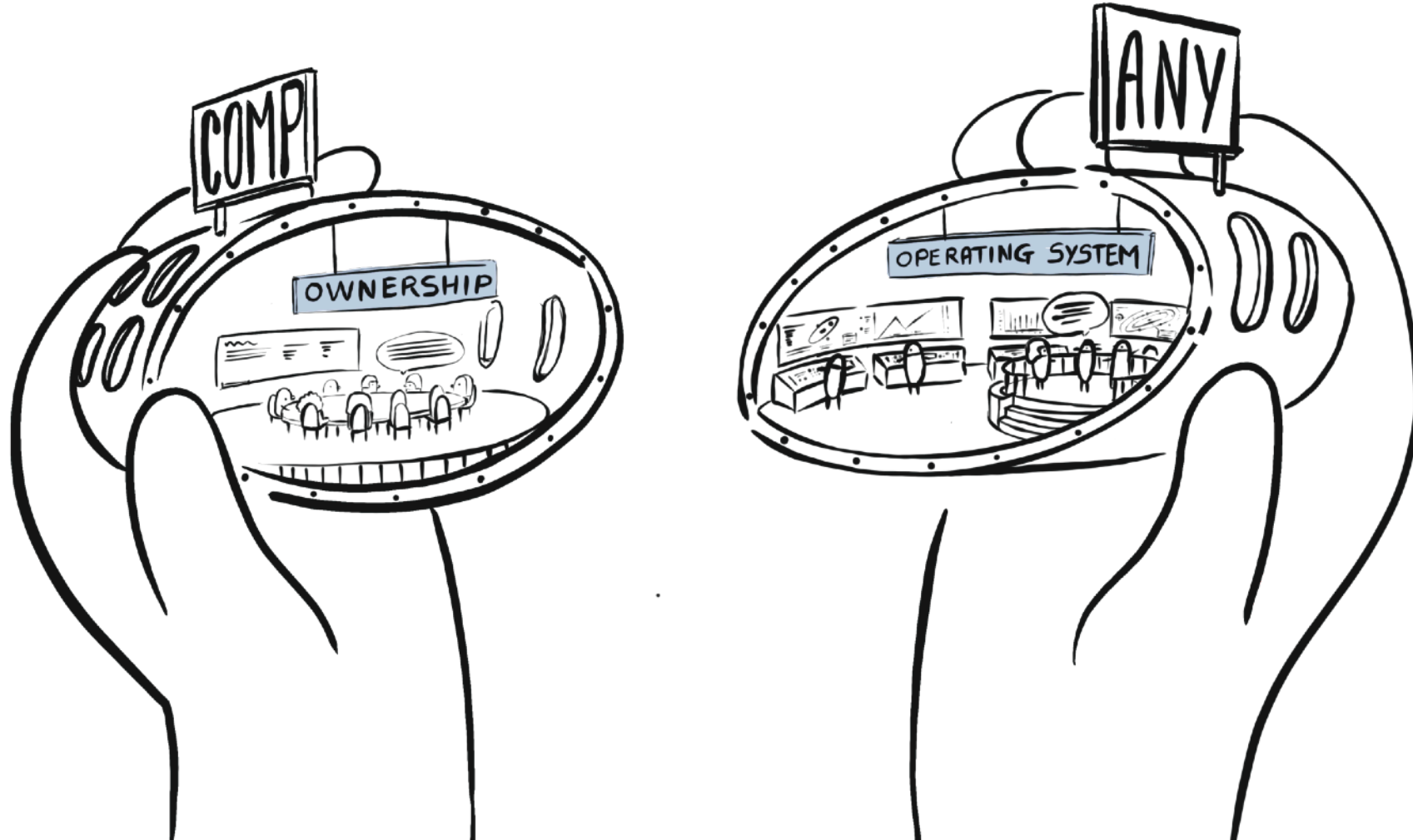


**IT'S NOT SUFFICIENT TO TRY AND CONTROL  
THE NEGATIVE EXTERNALITIES OF  
CORPORATE BEHAVIOUR.**

# WE HAVE TO GET TO THE ROOT OF THE ISSUE: CORPORATE OWNERSHIP

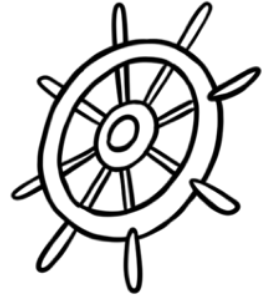


# CORPORATE OWNERSHIP IS THE OPERATING SYSTEM OF A COMPANY





# IT CONSISTS OF DIFFERENT RIGHTS



Voting rights – Power



Economic rights – Money



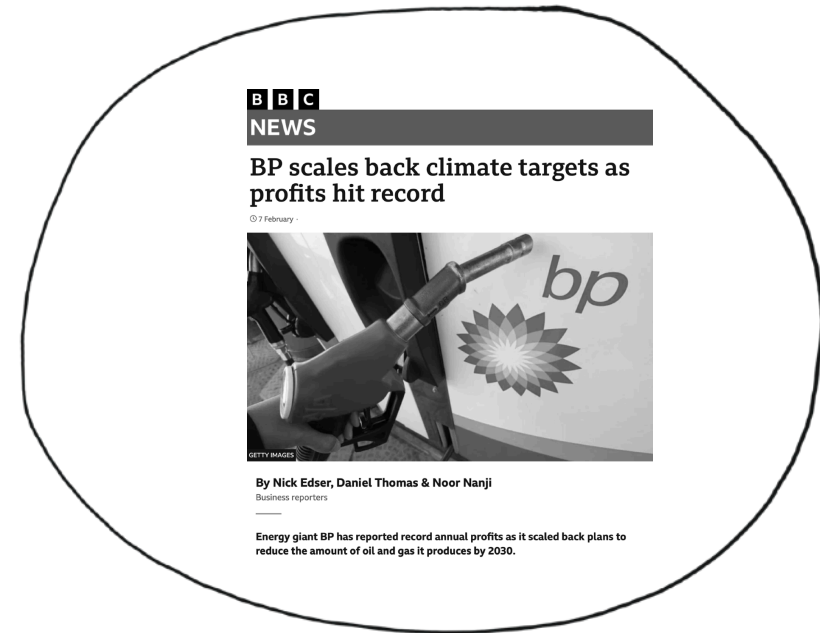
In most companies today, these rights are treated as a bundle of rights held by the shareholders.

# OWNERSHIP TREATED AS A BUNDLE OF RIGHTS HELD BY SHAREHOLDERS ENSHRINES A CERTAIN LOGIC IN A COMPANY'S OPERATING SYSTEM:

MONEY DEFINES WHO HOLDS POWER OVER A COMPANY



A COMPANY'S PURPOSE IS TO CREATE WEALTH FOR SHAREHOLDERS

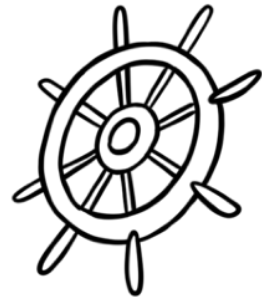


**MANY ENTREPRENEURS  
DON'T WANT TO FOLLOW THIS  
CONVENTIONAL NARRATIVE BEHIND  
CORPORATE OWNERSHIP ANYMORE.**

**TO THEM, SIMPLY DISTRIBUTING OWNERSHIP  
TO MORE STAKEHOLDERS IS NOT ENOUGH.**

**INSTEAD, THEY ARE FUNDAMENTALLY  
RETHINKING CORPORATE OWNERSHIP.**

# #1 THEY UNBUNDLE CORPORATE OWNERSHIP RIGHTS



Voting rights – Power



≠



Economic rights – Money



## #2 REDESIGN THEM ALONG TWO PRINCIPLES



### SELF-DETERMINATION

Power over the company cannot be speculated with but is held by people directly connected to the company's operation and mission: stewards, not absentee owners.



### PURPOSE-ORIENTATION

Profits are means to a purpose, not a goal in itself. Value created in the company cannot be extracted by the shareholders. Profits are reinvested, used to cover capital costs or donated.

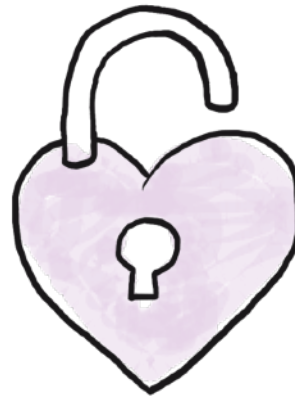
# #3 AND LEGALLY SECURE THEM FOR THE LONG TERM



**SELF-DETERMINATION**



**PURPOSE-ORIENTATION**



# FUNDAMENTALLY CHANGING ...

Striving for limitless growth ...



Companies as assets for private wealth creation ...



Control lies with absentee owners, people far away ...



Focus on maximizing profits and shareholder value ...



# ... THE BASIS OF DECISION MAKING BY ...

... dissolving the automatic growth trajectory and asking: What is enough?

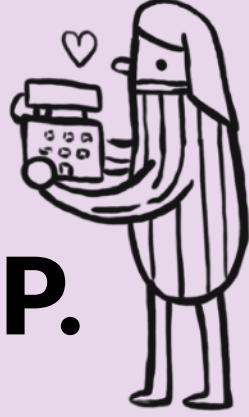
... defining the company as a group of people working for a common purpose.

... assigning voting power only to people directly connected to the company and its mission.

... freeing the company from the shareholder-value-first paradigm to focus on the actual purpose.



**WE CALL THIS STEWARD-OWNERSHIP.**

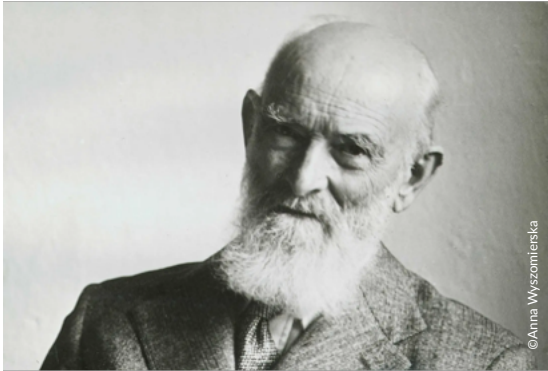


# STEWARD-OWNERSHIP IS AN ALTERNATIVE TO SHAREHOLDER VALUE PRIMACY THAT DECOUPLES POWER AND MONEY IN THE LONG RUN.



**IT IS A MODEL NOT BASED ON THEORY  
BUT ON THE REAL LIFE EXAMPLES  
OF COMPANIES IN HISTORY.**

# A MODEL PROVEN BY FORERUNNERS OF STEWARD-OWNERSHIP OVER CENTURIES



**ROBERT BOSCH, FOUNDER  
ROBERT BOSCH GMBH**

*"It is my intention, apart from the alleviation of all kinds of hardship, to promote the moral, physical and intellectual development of the people."*



**LENE SKOLE, CEO  
LUNDBECK FOUNDATION**

*"Although we feel every day the market pressures, we are not driven by any short-term concerns. We have the freedom to work with a long-term perspective and a broader notion of value creation than what we usually see in the market. (...) I am a big fan of the model and believe that it has proven its worth in the past century"*



**SHARON WHITE, CHAIRWOMAN  
JOHN LEWIS PARTNERSHIP**

*"With people seeking greater Purpose, the Partnership should be the business for our times. (...) It is the reason that brilliant customer service, quality, value and sustainability are at the heart of the offer to customers."*

# A MODEL PROVIDING ANSWERS TO MANY ENTREPRENEURIAL NEEDS TODAY



(FAMILY) BUSINESSES LOOKING FOR VALUE ALIGNED SUCCESSION SOLUTIONS

e.g. Patagonia (US), Victorinox (CH), ...



ENTREPRENEURS LOOKING FOR MORE COHERENT ALTERNATIVES TO THE CURRENT STATUS QUO OF BUSINESS

e.g. Locales Connectados (CL), BuurtzorgT (NL), ...



ZEBRA-STARTUPS AND SOCIAL ENTERPRISES BUILDING MISSION-ORIENTED COMPANIES

e.g. Ecosia (GER), Signal (US), ...

**STEWARD-OWNERSHIP HAS GREAT POTENTIAL  
FOR PEOPLE, PLANET AND SOCIETY.**

**IT ADDRESSES THE G IN ESG.**

**WE HAVE DECADES OF DATA,  
ANECDOTES AND YEARS OF EXPERIENCES  
WITH STEWARD-OWNERSHIP  
SUPPORTING ITS POSITIVE IMPACT.**

# STEWARD-OWNERSHIP HAS AN IMPACT - INSIDE AND OUT



**Steward-owners** are connected to and held responsible and accountable for the behaviour of the company.



**Companies** solve problems for people, society and planet.



**Employees** know that they are not primarily working to create private wealth for the owners, but for a purpose they can stand behind.

## STEWARD-OWNED COMPANY



**Customers, users and business partners** know that the company cannot be speculated with.



**Successors** can take over control of the company independent of family relations or money.



**Investors** are enablers for the company and receive risk-adequate returns.



# AN IMPACT BACKED BY DATA



**Long-term orientation**



**Better sustainability performance**



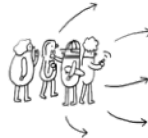
**Reduced concentration of wealth**



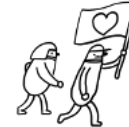
**More resilience in crises**



**Higher company survival rate**



**Higher employee retention rate**



**More potential for social mobility**



**Higher intrinsic motivation of employees**

# WITH MORE STEWARD-OWNED COMPANIES, THIS HAS SYSTEMIC IMPACT

## REDUCING PRESSURE ON PLANETARY BOUNDARIES



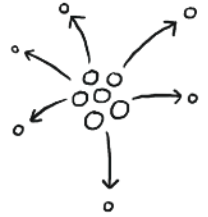
Steward-ownership frees up companies from shareholder value maximizing logics. It allows them to put sustainability at the core of their business in the long run, leading to more long-term and sustainable behaviour (e.g. better ESG performance).

## MORE SOCIAL MOBILITY AND REDUCED WEALTH & INCOME INEQUALITY

Steward-ownership increases social mobility by reducing the barrier to gain control over a company. Income in these companies is generally more secure and less unequal (e.g. reduced pay gap and higher salaries).



## DECENTRALIZATION OF MONEY & POWER

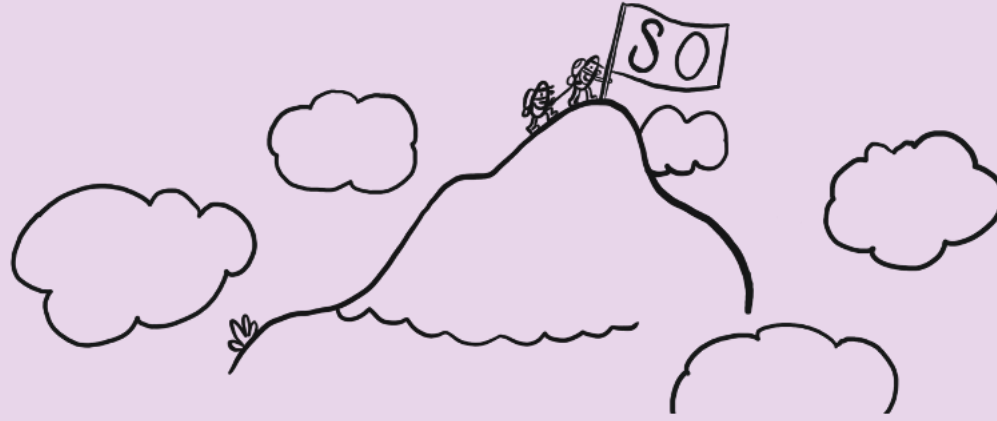


Steward-ownership structurally reduces wealth concentration as less wealth is held by individuals. Power over companies cannot be bought anymore, which leads to more independent companies.

**“This is of the utmost importance for the cohesion of our society.”**

– Olaf Scholz, Chancellor of Germany, on the initiative around steward-ownership





**STILL, THERE ARE NOT ENOUGH STEWARD-OWNED COMPANIES TO FULLY REALIZE ITS POTENTIAL FOR AN ECONOMY FIT FOR THE 21ST CENTURY.**



**THIS IS WHERE OUR WORK BEGINS.**

**CLICK HERE TO  
LEARN MORE:**



Deep dive about our work & How you can support



# OR PLEASE FEEL WARMLY INVITED TO DIRECTLY CONTACT US



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PROUDLY REPRESENTING

*Your Purpose Team*

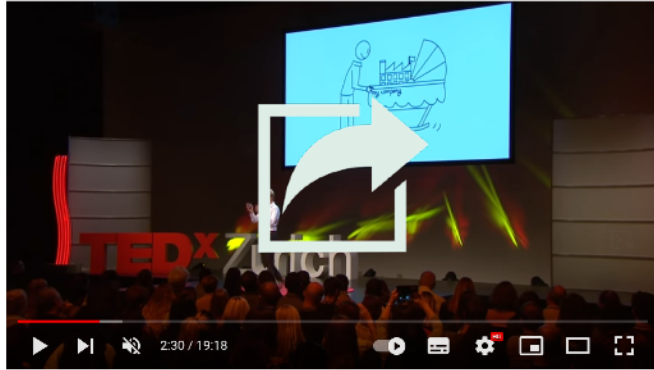
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**THANK YOU!**



# ANNEX

# INSPIRATION



Transforming Ownership to Create a Better Economy  
 Armin Steuernagel, Co-Founder Purpose Foundation  
 TEDxZurich



SO:22 Conference on Steward-Ownership by Purpose Foundation  
 (English subtitles)



Running a business and saving the world  
 VPRO Documentary on Steward-Ownership



Purpose over Greed - Rethinking Capitalism  
 Arte Documentary about Steward-Ownership (English subtitles)



Can Companies Force Themselves To Do Good?  
 The New Yorker on Purpose Foundation and Steward-Ownership



What Does it Mean to Be a Purpose-driven Business?  
 Podcast with Camille Canon, Co-Founder Purpose US